

Carmel Redevelopment Commission  
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@CarmelCRC

# ANNUAL REPORT



## FY 2014

*CRC Mission Statement: Assess, plan, replan, remediate, develop, and redevelop economic development areas to (a) benefit the public health, safety, morals, and welfare (b) increase the economic well-being of the City, and (c) serve to protect and increase property values in the City of Carmel.*

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# CARMEL REDEVELOPMENT COMMISSION

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# CARMEL REDEVELOPMENT COMMISSION

## 2014 ANNUAL REPORT

### Carmel Redevelopment Commission

#### ANNUAL REPORT INTRODUCTION

The Indiana State statute governing Redevelopment Commissions require annual reports to be produced within 30 days of the preceding calendar year. As stated in IC 36-7-14-13, the report shall provide Commissioner and employee information. The following report provides information above and beyond the state code requirements in order to communicate a full picture of activities in 2014 and provide a history of the Carmel Redevelopment Commission (CRC) since its creation.

#### STRATEGIC HIGHLIGHTS

- \$2,526,168 was sent to a savings/reserve account.
- Created a post-recession fiscal policy that incorporates amendments to the Redevelopment State Code per 2014 SEA 118.
- The Performing Arts Center (PAC) Bond was refinanced; establishing a \$3,480,357 savings.
- The CRC paid-off the Merchants Square Bond.
- Sold the Shapiro's building for \$2,100,000 (\$1,100,000 debt reduction with Village Financial and \$1,000,000 cash).
- The Tax-Increment-Financing (TIF) and CRC revenue performance projection was updated and shows adequate debt to revenue coverage resulting in no call for a special-benefit tax. Refer to the H.J. Umbaugh 5/29/14 TIF Report for details; which can be found on the Redevelopment Department website.
- All outstanding invoices were brought current.
- A 2015 Budget was approved that incorporates proper debt payments, capital improvement projects, and deposits into the savings/reserve account.
- All outstanding litigation matters were settled.
- Two CRC sitework projects were awarded: Mezz and Nash
- Two developer-bought TIF bonds were approved: Grand and Main (Edward Rose) and Olivia on Main (Keystone Group)
- The second phase of City Center received bond approvals necessary to use TIF for this project.
- Standard monthly reports were created and provided to City Council. Monthly reports are posted on the CRC's City of Carmel webpage located at [www.carmel.in.gov](http://www.carmel.in.gov).
- A Twitter account was created to quickly and easily communicate through social media. @CarmelCRC

#### FINANCIAL HIGHLIGHTS

<b>Beginning Balance w/o Restricted Funds*</b>	\$ 847,912
<b>Beginning Balance w/ Restricted Funds*</b>	\$ 2,850,027
<b>Year-end Balance w/o Restricted Funds</b>	\$ 5,030,468
<b>Year-end Balance w/ Restricted Funds</b>	\$ 8,860,531

\* Balance after all 2013 debt obligations were paid in January.

# HISTORY 1996-2013

## History 1996-2013

The Carmel City Council created the CRC per Indiana state statute 36-7-14 in 1989 (Ordinance D-600). However, the CRC was inactive for many years after inception. It began actively initiating redevelopment in Carmel in 1996. The following summary of CRC members and resolutions are provided to serve as a resource for current and future commissioners. The CRC's development involvement and leadership has led to a culture-rich community with diverse and quality developments.

### PICTURES



**PALLADIUM CONSTRUCTION**



**SOPHIA SQUARE CONSTRUCTION**



**CITY CENTER CONSTRUCTION**

# HISTORY 1996-2013

## RESOLUTIONS PASSED BY CRC

<u>Bond/Project Approved</u>	<u>Summary</u>
<b>1996-1997</b>	
County Option Income Tax (COIT) Bonds of 1997	\$32,000,000 bond that financed the development of the following Tax Increment Finance (TIF) Areas: Hazel Dell South, Hazel Dell North, Pennsylvania South, Pennsylvania North, Old Town and 126th Street
<b>1998-1999</b>	
COIT Bonds of 1998	\$10,500,000 bond that financed the acquisition and development of property within the City Center footprint
Pledge of tax increment to Merchants Square Bonds of 1998	Pledge of tax increment \$2,655,000 bond that financed infrastructure improvements necessary for Merchants Square
<b>2000-2001</b>	
AML I Residential Project Agreement	Project Agreement between AML I Residential and CRC for the development of housing units
Acceptance of Old Town project proposal	Awarded the development of Old Town site by AML I
Issuance of Bond for Merchants Pointe	\$1,170,000 bond pledged to construct Merchants Pointe Drive, drainage improvements on 116th Street, and reconfiguration and installation of traffic signal at intersection of 116th Street, AAA Way and Merchants Pointe Drive

## COMMISSIONERS

*during this timeframe*

**RICK ROESCH**

*1996-2003*

**RON CARTER**

*1996-2010*

**SUSAN  
WESTERMEIER**

*1996-2000*

**AMY BOLDT**

*1996-2001*

**MEGAN BOSCHINI**

*1996-1997*

**LISANNE TEVYAW**

*1998-1999*

**JOHN KOVEN**

*1999-2003*

**JACK SMITH**

*2000*

**LUCI SNYDER**

*2000-2003*

**ED BURKE**

*2001-2004*

# HISTORY 1996-2013

## Bond/Project Approved

## Summary

### 2002-2003

Pledge of tax increment to Parkwood East Bonds of 2002	Pledge of tax increment to \$3,560,000 bond for road, water and sewage infrastructure improvements and environmental remediation and abatement for the benefit of the Parkwood Economic Development Area (EDA)
--------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Issuance of 2003A BAN	\$2,995,000 Bond Anticipation Note (BAN) to redevelop property within the 126th Street EDA and the Old Town EDA
-----------------------	-----------------------------------------------------------------------------------------------------------------

### 2004-2005

Acceptance of City Center bid	Acceptance of bid from Pedcor to acquire and develop the City Center project
-------------------------------	------------------------------------------------------------------------------

Purchase of 302 Pintail Court	Purchased property that was integral to the expansion of Illinois Street
-------------------------------	--------------------------------------------------------------------------

Approval of PAC Bond Lease	\$80,005,000 bond lease to finance the construction of the Performing Arts Center
----------------------------	-----------------------------------------------------------------------------------

Transfer of 30 W. Main Street from City to CRC	Accepted transfer of 30 W. Main Street from City for sum of \$45,000
------------------------------------------------	----------------------------------------------------------------------

Transfer of 21 S. Rangeline Road from City to CRC	Accepted transfer of 21 S. Rangeline Road from City for sum of \$225,000
---------------------------------------------------	--------------------------------------------------------------------------

Pledge of increment for City Center Bonds	Pledge of increment from EDA 1 and EDA 2 for City issued 2005A and B City Center Bonds
-------------------------------------------	----------------------------------------------------------------------------------------

Issuance of 2005A BAN	\$2,995,000 BAN to redevelop property within the City Center EDA and the Old Town EDA
-----------------------	---------------------------------------------------------------------------------------

## COMMISSIONERS

*during this timeframe*

**JOHN KOVEN**  
1999-2003

**RON CARTER**  
1996-2010

**LUCI SNYDER**  
2000-2003

**ED BURKE**  
2001-2004

**RICK SHARP**  
2003-2009

**BOB BATTREALL**  
2003-2006

**TIM MARSHALL**  
2004

**BILL HAMMER**  
2004-PRESENT

**JERRY HENISER**  
2005-2006

# HISTORY 1996-2013

## Bond/Project Approved

## Summary

### 2006-2007

Pledge of increment for 2006A Indiana Design Center Bonds	Pledge of increment to the \$4,000,000 2006A Indiana Design Center Bonds, used to fund parking and infrastructure to support the project
Approval of 2006 Bond Lease	\$72,000,000 bond lease to finance the improvements of various road projects throughout the City (was decided all payments would be made by County Option Income Tax (COIT))
Pledge of increment for the Gramercy Bonds	Pledge of increment for the Gramercy 2006B Bonds
Issuance of 2006 COIT Refunding Bonds	2006 COIT Bonds refunded the COIT Bonds of 1998 at a lower interest rate
Issuance of Golf Course Bonds	\$2,995,000 bond used to acquire the Brookshire Golf Course
Issuance of 2007A BAN	\$2,995,000 BAN to redevelop property within the City Center EDA, 126th Street EDA and the Old Town EDA

### 2008-2009

Issuance of 2008 Refunding Bonds	\$14,000,000 bond that refunded the four BANs
Transfer of Golf Course to City	
Pledge of increment for the Arts District Lofts and Shoppes Bonds	
Approval of initial Installment Purchase loan program with Regions	\$45,000,000 Installment Purchase loan (over three-year period) program with Regions for the completion of the Performing Arts Center

## COMMISSIONERS

*during this timeframe*

**RICK SHARP**  
2003-2009

**RON CARTER**  
1996-2010

**BOB BATTREALL**  
2003-2006

**BILL HAMMER**  
2004-PRESENT

**JERRY HENISER**  
2005-2006

**JEFF WORRELL**  
2006-PRESENT

**CAROLYN ANKER**  
2006-2013

**JOHN ACCETTURO**  
2009

**TOM CROWLEY**  
2009-2010, 2013

# HISTORY 1996-2013

## Bond/Project Approved

## Summary

### 2010-2011

Sale of Energy Center	Sale of Energy Center via installment purchase contract with Community Facility Partners (CFP), Carmel, Indiana Energy Center, LLC for \$16,300,000
Pledge of increment for the Arts District Lofts and Shoppes Bonds	Amended resolution to pledge increment for the Arts District Lofts and Shoppes Bonds
Grant agreement with 4CDC for loan	Grant agreement regarding \$8,000,000 loan with Carmel City Center Community Development Corporation (4CDC) payable with Palladium ticket surcharges
Pledge of increment for the 116th Street Centre Project	Pledge of increment on \$2,050,000 of bonds, which were used for infrastructure and hardscape supporting the 116th Centre Project
Pledge of increment for the Meridian and Main project (Indiana Spine Group)	Pledge 50% of increment from Meridian and Main Allocation Area on \$751,500 of bonds, which were used for site and utility work at the Indiana Spine Group development
Approval of Village Financial Installment Purchase Contracts	Three installment purchase contracts totaling \$22,500,000 with Pedcor financial agency Village Financial

### 2012-2013

Nash and Kent Project Agreement	Entered into project agreement with Carmel City Center (CCC) Nash and CCC Kent
Approval of 2012 Refunding Bond	\$195,000,000 Lease Bond that refunded many outstanding CRC obligations at lower interest rates. Later approved by City Council
Pledge of increment for the Legacy project	Pledge of increment on \$4,500,000 of bonds, which were used for infrastructure and roadways at the Legacy project

## COMMISSIONERS

*during this timeframe*

**RON CARTER**

*1996-2010*

**BILL HAMMER**

*2004-PRESENT*

**JEFF WORRELL**

*2006-PRESENT*

**CAROLYN ANKER**

*2006-2013*

**TOM CROWLEY**

*2009-2010, 2013*

**DAVE BOWERS**

*2011-PRESENT*

**BRAD MEYER**

*2011-2014*

# 2014 OVERVIEW

## 2014 Overview

### COMMISSIONERS

- |                |                           |                |
|----------------|---------------------------|----------------|
| • Bill Hammer  | August 2004 – Present     | President      |
| • Dave Bowers  | January 2011 – Present    | Vice President |
| • Brad Meyer   | January 2011 – 2014       | Secretary      |
| • Jeff Worrell | May 2006 - Present        |                |
| • Bill Brooks  | April 2014 – Present      |                |
| • Corrie Meyer | January 2014 - March 2014 |                |

### OPERATIONS TEAM

The following members represent the acting ‘staff’ for the CRC. Per the City Council Ordinance D-2108-12, the CRC is prohibited from hiring staff. Thus, these staff members are a part of the City Redevelopment Department and Department of Community Relations/ Economic Development.

- Corrie Meyer, Redevelopment Director/ CRC Executive Director
- Mike Lee, Office Manager
- Megan McVicker, Meeting Coordinator

# 2014 RESOLUTIONS AND ACTION ITEMS

## 2014 Resolutions and Action Items

### RESOLUTIONS PASSED BY COMMISSION

<u>Bond/Project Approved</u>	<u>Summary</u>	<u>Resolution Numbers</u>
2014		
Forgiveness of Excess PAC Parking Revenue	The Parking Agreement between the Center for Performing Arts and the CRC was terminated in 2013. There still remained some excess parking revenue that was owed to the CRC. The CRC agreed to forgive this excess amount of parking revenue.	2014-1
2014 PAC Refunding Bond	Partial refunding of the 2005 PAC Bonds, which created \$3,480,357 worth of savings.	2014-2
7 <sup>th</sup> Street NE and 2 <sup>nd</sup> Avenue NE property	The CRC accepted a transfer of property from the City to be sold at a mutually agreed upon price. The CRC sold the property to Old Town Development, LLC for a purchase price of \$65,000, and the condition of at least \$168,000 of improvements made to the site.	2014-4 2014-9
Determination of need to capture TIF increment revenues	Every year the CRC has to determine whether it needs to capture all TIF increment revenues in order to fulfill its obligations, or if some increment can be released back to the taxing units affected. The CRC determined that it needed to capture all of the TIF increment for budget year 2015.	2014-7
Grand and Main Project	Declaratory resolutions to the Old Meridian EDA were amended to designate a portion of the EDA as the Grand and Main Allocation Area. Increment was also pledged towards the project's economic development revenue bonds that will be used to finance the construction of public infrastructure that will support the mixed-use project.	2014-8 2014-10 2014-11
Olivia on Main Project	Declaratory resolutions to the Old Meridian EDA were amended to designate a portion of the EDA as the Olivia on Main Allocation Area. Increment was also pledged towards the project's economic development revenue bonds that will be used to finance the construction of public infrastructure that will support the mixed-use project.	2014-12 2014-18 2014-19

# 2014 RESOLUTIONS AND ACTION ITEMS

Legacy Project	An amendment to the declaratory resolution and a confirmatory resolution for the Legacy EDA were made in order to remove residential properties from the EDA, which were negatively impacting TIF collections.	2014-13
		2014-21
City Center Phase II	Declaratory resolution and the economic development plan for the Carmel Downtown Economic Development Area were amended to create several individual allocation areas to serve for the second phase of City Center. A preliminary bond resolution was also passed for a bond that will cover the costs to build a new parking garage and other public infrastructure that will support the project.	2014-14
		2014-15
		2014-20
Fiscal Policy	A policy that more clearly defines the roles and responsibilities of the commission, its officers, staff, consultants and establishes procedures for each to follow. This policy was created to reinforce the CRC's adoption of SEA 118.	2014-16
2 <sup>nd</sup> Street SW and 3 <sup>rd</sup> Avenue SW property	The CRC accepted a transfer of property from the City in order to sell the property as a package with adjacent properties already owned by the CRC.	2014-17

# 2014 RESOLUTIONS AND ACTION ITEMS

## RESOLUTIONS PARTNERED WITH CITY COUNCIL

<u>Bond/Project Approved</u>	<u>Summary</u>	<u>Resolution Numbers</u>
2014 COIT Refunding Bond	Authorized the execution of amendments to lease agreements between the Redevelopment Authority and the CRC in order for the City to refinance their 2004 and 2006 COIT bonds.	2014-3
Sale of excess real property	The CRC ratified and approved the sale of real property acquired in connection with a public right-of-way project. The CRC was one of the entities that had to approve of the sale before the City could cause the sale.	2014-5 2014-6
Amendment to Lease	Authorized the execution of an amendment to a lease agreement between the Redevelopment Authority and the CRC in order for the City to add Improvements to Main Street between Illinois Street and Guilford Road to the list of projects payable from proceeds received from the sale of the real estate.	2014-22

## SIGNIFICANT ACTION ITEMS PASSED BY CRC

<u>Project</u>	<u>Summary</u>	<u>Action Item Date/Number</u>
The Mezz	Publicly bid and approved of two construction contracts that will provide parking space, pathways and other public infrastructure to aid the Mezz development.	4/16/14 Action Item 2 8/6/14 Action Item 2
The Nash	Publicly bid and approved of a construction contract that will provide a streetscape that will aid the Nash development.	8/20/14 Action Item 8
Shapiro's site	Sold the Shapiro's building to Pedcor for \$1,000,000 in cash and \$1,100,000 reduction in debt for a total value of \$2,100,000.	10/1/14 Action Item 4
Palladium dome litigation	Approved final settlements with SSE and Creviston for a total combined cash amount of \$4,350,000, which finalized and closed-out the Palladium dome litigation.	11/19/14 Action Item 6

# FINANCIAL OVERVIEW

## Financial Overview

### TIF REVENUE AND DEBT

2014 net TIF Revenue was \$17,766,140. Debt obligations were covered with TIF revenue and CRC cash funds. The following payments were made.

MONTH	TOTAL
June 2014	\$ 484,228
July 2014	\$ 8,276,336
December 2014	\$ 8,678,591

### DECEMBER MONTH-END FINANCIAL BALANCE

Ending Balance without Restricted Funds	\$ 5,030,468
Ending Balance with Restricted Funds	\$ 8,860,531

### SUMMARY OF CASH

For the Year-end, 2014

DESCRIPTION	ACTUAL	MID-YEAR PROJECTION	VARIANCE
<b>Cash Balance 1/1/14</b>			
1101 Cash	\$489,926.04	\$489,926.04	\$ -
1110 TIF	5,467,695.33	5,467,695.33	-
<b>Total Cash</b>	\$5,957,621.37	\$5,957,621.37	\$ -
<b>Receipts</b>			
1101 Cash	\$6,863,805.97	\$2,618,115.75	\$4,245,690.22
1110 TIF	22,846,546.57	22,412,018.18	434,528.39
<b>Developer Payments</b>	(2,710,219.89)	(2,710,219.89)	-
<b>Total Receipts</b>	\$27,000,132.65	\$22,319,914.04	\$4,680,218.61
<b>Disbursements</b>			
1101 Cash	\$2,362,430.38	\$3,009,888.58	\$647,458.20
1110 TIF	25,564,855.40	25,168,482.04	\$(396,373.36)
<b>Total Disbursements</b>	\$27,927,285.78	\$28,178,370.62	\$251,084.84
1101 Cash	\$4,991,301.63	\$98,153.21	\$4,893,148.42
1110 TIF	39,166.61	1,011.58	\$38,155.03
<b>Cash Balance 12/31/14</b>	\$5,030,468.24	\$99,164.79	\$4,931,303.45
<b>Total Usable Funds</b>	\$5,030,468.24	\$99,164.79	\$4,931,303.45

# FINANCIAL OVERVIEW

## FUND BALANCES AND OUTSTANDING RECEIVABLES

As of December 31, 2014

### Restricted Funds

Energy Center Reserve	\$501,760
Civic Rent Reserve	801,870
Supplemental Reserve Fund	2,526,433
<b>Sub-total:</b>	<b><u>\$3,830,063</u></b>

### Cash (as seen in Summary of Cash table)

TIF	39,167
Non-TIF	4,991,302
<b>Sub-total:</b>	<b><u>\$5,030,468</u></b>

<b>Total Funds</b>	<b>\$8,860,531</b>
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### Outstanding Receivables

Energy Consumption Payments (1)	20,923
<b>Total Outstanding Receivables</b>	<b><u>\$20,923</u></b>

(1) Amounts due reflects November and December 2014 for Office Building One. REI Real Estate Services, LLC acts as property manager on behalf of the CRC and collects the Energy Consumption Payments to be forwarded. As of the date of this report, the Outstanding Receivables had been received.

## STATEMENT OF CHANGES IN EQUITY

YEAR END: 2014

DESCRIPTION	REVENUE	EXPENSES
<b>Total Receipts (TIF)</b>	\$20,136,327	
<b>Total Receipts (Non-TIF):</b>	\$6,863,806	
<b>Expenditures (TIF)</b>		\$25,564,855
<b>Expenditures (Non-TIF)</b>		\$2,362,430

-End report-